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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

A

W-01445A WATER
ARIZONA WATER COMPANY
PO BOX 29006
PHOENIX AZ 85038-9006

RECEIVED

FEB 05 2000

ARIZONA WATER COMPANY
PHOENIX EXECUTIVE

ANNUAL REPORT

ARIZONA CORPORATION
COMMISSION

RECEIVED
APR 16 2001

Utilities Division

FOR YEAR ENDING

12	31	2000
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FOR COMMISSION USE

ANN04	00
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COMPANY INFORMATION

Company Name (Business Name) <u>Arizona Water Company</u>		
Mailing Address <u>P.O. Box 29006</u>		
<u>Phoenix</u> (City)	<u>AZ</u> (State)	<u>85038-9006</u> (Zip)
<u>(602) 240-6860</u>	<u>(602) 240-6878</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>Mail@AZWater.Com</u>		
Local Office Mailing Address <u>P.O. Box 29006</u>		
<u>Phoenix</u> (City)	<u>AZ</u> (State)	<u>85038-9006</u> (Zip)
<u>(602) 240-6860</u>	<u>(602) 240-6878</u>	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>Mail@AZWater.Com</u>		

MANAGEMENT INFORMATION

Management Contact: <u>James R. Livingston</u>		<u>President/CEO</u>	
	(Name)		(Title)
<u>3805 North Black Canyon Highway</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85015-5351</u>
(Street)	(City)	(State)	(Zip)
<u>(602) 240-6860</u>	<u>(602) 240-6878</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>President@AZWater.Com</u>			
On Site Manager: <u>See "Attachment A"</u>			
	(Name)		
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			



ARIZONA WATER COMPANY

DIVISION OFFICES

Attachment A

DIVISION ADDRESS	SYSTEM	ON-SITE MANAGER PHONE & FAX E-MAIL ADDRESS
2380 W. Southern Ave. PO Box 400 (85217) Apache Junction, AZ 85220	Apache Junction	Judd Williams (480)982-2201 (480)983-6390 ApacheJunction@AZWater.Com
1345 Naco Highway, Suite A PO Box AW Bisbee, AZ 85603	Bisbee	Joe Mauzy (520)432-5321 (520)458-5660 Bisbee@AZWater.Com
77 Calle Portal B-120 PO Box 2020 Sierra Vista, AZ 85635	Sierra Vista	Joe Mauzy (520)458-5660 (520)459-2533 SierraVista@AZWater.Com
220 E. 2 nd . St. Casa Grande, AZ 85222 PO Box 11030 Casa Grande, AZ 85230-1030	Casa Grande (Ajo, Stanfield, Tierra Grande, and White Tank)	Jerry Dixel (520)836-8785 (520)836-2850 CasaGrande@AZWater.Com
448 W. Central Ave. PO Box 1568 Coolidge, AZ 85228	Coolidge	Jerry Dixel (520)723-5346 (520)723-3081 Coolidge@AZWater.Com
1669 N. White Mountain Blvd. PO Box 246 Lakeside, AZ 85929	Lakeside	Ted Millspaugh (520)368-6993 (520)535-4469 Lakeside@AZWater.Com
2047 Highway 277 PO Box 117 Overgaard, AZ 85933	Overgaard	Ted Millspaugh (520)535-4469 (520)535-4591 Overgaard@AZWater.Com
422 Sullivan St. PO Box A Miami, AZ 85539	Miami	Mark E. Kieren (520)473-4433 (520)473-2271 Miami@AZWater.Com
20 N. Magma Ave. PO Box R Superior, AZ 85273	Superior	Mark E. Kieren (520)689-2312 (520)689-2615 Superior@AZWater.Com
460 Avenue A PO Box 120 San Manuel, AZ 85631	San Manuel Oracle Winkelman	Charles H. Allen III (520)385-2226 (520)385-2226 SanManuel@AZWater.Com
65 Coffee Pot Dr. Ste. 7 Sedona, AZ 86336	Sedona Pinewood Rimrock	Raymond Miller (520)282-5555 (520)282-6131 Sedona@AZWater.Com

Statutory Agent: Robert W. Geake

3805 North Black Canyon Highway	(Name) Phoenix	AZ	85015-5351
(Street)	(City)	(State)	(Zip)
(602) 240-6860	(602) 240-6878		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

Attorney: Robert W. Geake

3805 North Black Canyon Highway	(Name) Phoenix	AZ	85015-5351
(Street)	(City)	(State)	(Zip)
(602) 240-6860	(602) 240-6878		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|--|--|
| <input type="checkbox"/> APACHE | <input checked="" type="checkbox"/> COCHISE | <input checked="" type="checkbox"/> COCONINO |
| <input checked="" type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input checked="" type="checkbox"/> NAVAJO | <input checked="" type="checkbox"/> PIMA | <input checked="" type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME: ARIZONA WATER COMPANY

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD) *	O.C.L.D. (OC LESS AD)
301	Intangible-Organization	651		
302	Intangible-Franchises	16,610		
303	Intangible-Miscellaneous	435,928		
310.10	Source of Supply-Water Rights	888,635		
310.30	Source of Supply-Land-Other-Wells	410,533		
314	Source of Supply-Wells	10,608,312		
320	Pumping-Land	69,504		
321	Pumping-Structures and Improvements	446,680		
325	Pumping-Electrical Equipment	12,171,597		
328	Pumping-Gas Engine Equipment	197,940		
330	Water Treatment-Land	550		
331	Water Treatment-Structures and Improvements	217,040		
332	Water Treatment-Equipment	1,185,422		
340	Transmission and Distribution-Land	509,686		
342	Transmission and Distribution-Storage Tanks	10,061,307		
343	Transmission and Distribution-Mains	80,975,172		
344	Transmission and Distribution-Fire Sprinklers	1,489,920		
345	Transmission and Distribution-Services	21,866,966		
346	Transmission and Distribution-Meters	4,139,370		
348	Transmission and Distribution-Hydrants	6,074,664		
389	General-Land	63,325		
390	General-Structures and Improvements	1,437,205		
391	General-Office Furniture and Equipment	3,709,639		
393	General-Stores Equipment	33,400		
394	General-Tools, Shop and Garage Equipment	781,708		
395	General-Laboratory Equipment	31,040		
396	General-Power Operated Equipment	170,992		
397	General-Communication Equipment	2,155,824		
398	General-Miscellaneous Equipment	176,941		
	Totals	160,326,561	39,261,793	121,064,768
	LEASEHOLD IMPROVEMENTS			
390	General-Structures and Improvements	1,039,064	544,800	494,264
	TOTALS	161,365,625	39,806,593	121,559,032

* Depreciation is calculated using a composite depreciation rate and leasehold improvements are amortized on a straight line basis over the life of the lease..

The Commission's 2000 report format does not match the NARUC Class A Water Utility Uniform System of Accounts that the Company has adopted. Therefore, in some cases the Company's reports will differ from the Commission's 2000 format.

COMPANY NAME: ARIZONA WATER COMPANY

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2) *	Depreciation Expense (1 x 2)
301	Intangible-Organization	651		
302	Intangible-Franchises	16,610		
303	Intangible-Miscellaneous	435,928		
310.10	Source of Supply-Water Rights	888,635		
310.30	Source of Supply-Land-Other-Wells	410,533		
314	Source of Supply-Wells	10,608,312		
320	Pumping-Land	69,504		
321	Pumping-Structures and Improvements	446,680		
325	Pumping-Electrical Equipment	12,171,597		
328	Pumping-Gas Engine Equipment	197,940		
330	Water Treatment-Land	550		
331	Water Treatment-Structures and Improvements	217,040		
332	Water Treatment-Equipment	1,185,422		
340	Transmission and Distribution-Land	509,686		
342	Transmission and Distribution-Storage Tanks	10,061,307		
343	Transmission and Distribution-Mains	80,975,172		
344	Transmission and Distribution-Fire Sprinklers	1,489,920		
345	Transmission and Distribution-Services	21,866,966		
346	Transmission and Distribution-Meters	4,139,370		
348	Transmission and Distribution-Hydrants	6,074,664		
389	General-Land	63,325		
390	General-Structures and Improvements	1,437,205		
391	General-Office Furniture and Equipment	3,709,639		
393	General-Stores Equipment	33,400		
394	General-Tools, Shop and Garage Equipment	781,708		
395	General-Laboratory Equipment	31,040		
396	General-Power Operated Equipment	170,992		
397	General-Communication Equipment	2,155,824		
398	General-Miscellaneous Equipment	176,941		
	Totals	160,326,561	2.59%	3,427,944
	LEASEHOLD IMPROVEMENTS			
390	General-Structures and Improvements	1,039,064	straight-line	76,426
	TOTALS	161,365,625		3,504,370

* Depreciation is calculated using a composite depreciation rate and leasehold improvements are amortized on a straight line basis over the life of the lease..

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BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$213,918	\$434,647
134	Other Special Deposits	1,950	1,950
135	Working Funds	30,400	30,400
142	Customer Accounts Receivable	682,828	761,206
143	Other Accounts Receivable	476,647	(1,220)
144	Accumulated Provision for Uncollectible Accounts	(14,066)	(15,859)
154	Plant Materials and Supplies	273,594	235,685
163	Stores Expense	22,182	14,752
166	Prepayments	202,386	447,194
173	Accrued Utility Revenues	1,532,759	1,565,622
	TOTAL CURRENT AND ACCRUED ASSETS	\$3,422,598	\$3,474,377
	DEFERRED DEBITS		
181	Unamortized Debt Discount and Expense	\$25,743	\$23,067
184	Clearing Accounts	(3,710)	16
185	Temporary Facilities	(11,557)	(11,557)
186	Miscellaneous Deferred Debits	3,816,388	4,374,670
	TOTAL DEFERRED DEBITS	\$3,826,864	\$4,386,196
	FIXED ASSETS		
101	Utility Plant in Service	\$149,120,168	\$161,365,625
107	Construction Work in Process	2,785,671	6,339,486
108	Accumulated Depreciation - Utility Plant	(36,432,629)	(39,806,593)
114	Utility Plant Acquisition Adjustment	(832,483)	(832,483)
115	Accum. Amort. of Utility Plant Acq. Adj.	832,483	832,483
121	Non-Utility Property	1,161	1,161
122	Accumulated Depreciation - Non Utility	0	0
	TOTAL FIXED ASSETS	\$115,474,371	\$127,899,679
	TOTAL ASSETS	\$122,723,833	\$135,760,252

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

The Commission's 2000 report format does not match the NARUC Class A Water Utility Uniform System of Accounts that the Company has adopted. Therefore, in some cases the Company's reports will differ from the Commission's 2000 format.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Notes Payable (Current Portion)	\$11,711,767	\$13,861,858
232	Accounts Payable	1,845,233	2,260,424
235	Customer Deposits	285,389	345,581
236	Accrued Taxes	961,211	654,791
237	Accrued Interest	342,169	352,747
242	Miscellaneous Current and accrued Liabilities	300,229	325,373
	TOTAL CURRENT LIABILITIES	\$15,445,998	\$17,800,774
	LONG-TERM DEBT (Over 12 Months)		
221	Bonds	\$9,138,233	\$8,678,142
224	Other Long-Term Debt	4,303	2,535
	TOTAL LONG-TERM DEBT (Over 12 Months)	\$9,142,536	\$8,680,677
	DEFERRED CREDITS		
252	Advances in Aid of Construction	23,374,721	29,295,511
253	Other Deferred Credits	2,465,041	3,311,984
265	Miscellaneous Operating Reserves	402,106	369,951
271	Contributions in Aid of Construction	19,564,504	20,937,725
272	Less: Amortization of Contributions	(2,296,360)	(2,813,275)
281	Accumulated Deferred Investment Tax Credits	864,469	828,238
281	Accumulated Deferred Income Tax	8,915,334	9,411,518
	TOTAL DEFERRED CREDITS	\$53,289,815	\$61,341,652
	TOTAL LIABILITIES	\$77,878,349	\$87,823,103
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$2,700,000	\$2,700,000
211	Miscellaneous Paid-In Capital	2,654,647	2,654,647
216	Retained Earnings	39,490,837	42,582,502
	TOTAL CAPITAL	\$44,845,484	\$47,937,149
	TOTAL LIABILITIES AND CAPITAL	\$122,723,833	\$135,760,252

The Commission's 2000 report format does not match the NARUC Class A Water Utility Uniform System of Accounts that the Company has adopted. Therefore, in some cases the Company's reports will differ from the Commission's 2000 format.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.		PRIOR YEAR	CURRENT YEAR
	OPERATING REVENUES		
461	Metered Water Revenue	\$28,233,889	\$30,574,366
462	Fire Protection Revenue	20,043	23,734
471	Miscellaneous Service Revenues	1,186,467	1,464,967
472	Rents from Water Property	2,040	0
474	Other Water Revenues	307,383	348,279
	TOTAL OPERATING REVENUES	\$29,749,822	\$32,411,346
	OPERATION AND MAINTENANCE EXPENSES		
600	Source of Supply Operation-Supervision and Engineering	\$41,304	\$42,328
601	Source of Supply Operation-Labor and Expenses	32	0
602	Source of Supply Operation-Purchased Water	1,163,572	1,157,375
603	Source of Supply Operation-Miscellaneous	46,233	50,588
610	Source of Supply Maintenance-Supervision and Engineering	28,720	29,259
614	Source of Supply Maintenance-Wells and Springs	18	2,903
620	Pumping Operation-Supervision and Engineering	60,047	61,102
623	Pumping Operation-Purchased Power	2,572,561	2,883,858
624	Pumping Operation-Labor and Expenses	319,199	398,426
630	Pumping Maintenance-Supervision and Engineering	31,398	30,659
631	Pumping Maintenance-Structures and Improvements	62,810	72,468
633	Pumping Maintenance-Equipment	195,866	258,486
640	Water Treatment Operation-Supervision and Engineering	23,342	24,727
641	Water Treatment Operation-Chemicals	257,485	265,762
642	Water Treatment Operation-Labor and Expenses	279,652	311,500
650	Water Treatment Maintenance-Supervision and Engineering	31,104	33,822
651	Water Treatment Maintenance-Structures and Improvements	0	172
652	Water Treatment Maintenance-Equipment	37,144	118,128
660	Trans. and Distrib. Operation-Supervision and Engineering	92,860	94,521
661	Trans. and Distrib. Operation-Storage Facilities	21,033	20,692
662	Trans. and Distrib. Operation-Lines Expenses	385,142	389,999
663	Trans. and Distrib. Operation-Meters	605,134	652,395
664	Trans. and Distrib. Operation-Customer Installations	73,710	62,667
665	Trans. and Distrib. Operation-Miscellaneous	77,972	78,123
666	Trans. and Distrib. Operation-Rents	11,543	13,140
670	Trans. and Distrib. Maintenance-Supervision and Engineering	146,414	168,644
672	Trans. and Distrib. Maintenance-Tanks	224,228	224,228
673	Trans. and Distrib. Maintenance-Mains	421,323	448,885
675	Trans. and Distrib. Maintenance-Services	551,344	587,504
676	Trans. and Distrib. Maintenance-Meters	154,521	176,599
677	Trans. and Distrib. Maintenance-Hydrants	46,055	61,888

The Commission's 2000 report format does not match the NARUC Class A Water Utility Uniform System of Accounts that the Company has adopted. Therefore, in some cases the Company's reports will differ from the Commission's 2000 format.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE (CONTINUED)

Acct. No.	OPERATION AND MAINTENANCE EXPENSES (CONTINUED)	PRIOR YEAR	CURRENT YEAR
901	Customer Accounts Operation-Supervision	\$137,940	\$145,208
902	Customer Accounts Operation-Meter Reading	351,101	370,298
903	Customer Accounts Operation-Customer Records and Collection	1,738,235	1,842,058
904	Customer Accounts Operation-Uncollectible Accounts	57,433	71,291
905	Customer Accounts Operation-Miscellaneous	254,046	260,357
907	Customer Service and Information Operation	17,464	20,446
910	Sales Promotion Operation	981	452
920	Administrative and General Operation-Salaries	730,678	815,089
921	Administrative and General Operation-Office Supplies and Other	98,146	94,767
923	Administrative and General Operation-Outside Services Employed	225,133	245,713
924	Administrative and General Operation-Property Insurance	11,908	9,804
925	Administrative and General Operation-Injuries and Damages	112,226	106,332
926	Administrative and General Operation-Employee Pensions and Benefits	1,235,967	1,315,292
928	Administrative and General Operation-Regulatory Commission	51,830	59,304
930	Administrative and General Operation-Miscellaneous	44,407	57,916
931	Administrative and General Operation-Rents	102,909	104,408
932	Administrative and General Maintenance	171,746	167,077
403	Depreciation Expense	3,098,332	3,427,944
404	Amortization Leasehold Improvements and Limited Term Utility Plant	74,940	76,426
408.10	Taxes Other than Income Taxes	4,463,030	4,757,748
409.10	Income Taxes	2,580,727	2,682,630
	TOTAL OPERATION AND MAINTENANCE EXPENSES	\$23,520,945	\$25,351,408
	OTHER INCOME/EXPENSE		
416	Cost and Expenses of Merchandising, Jobbing and Contract Work	(\$23,321)	(\$27,572)
420	Allowance for Funds Used During Construction	40,434	153,764
421	Miscellaneous Nonoperating Income	(111,412)	(216,293)
427	Interest on Long Term-Term Debt	904,861	862,157
428	Amortization of Debt Discount and Expense	2,676	2,676
430	Interest on Debt to Associated Companies	382,994	352,121
431	Other Interest Expense	196,714	443,318
432	Allowance for Funds Used During Construction	(281,498)	(315,398)
	TOTAL OTHER INCOME/EXPENSE	\$1,111,448	\$1,254,773
	NET INCOME	\$5,117,429	\$5,805,165

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COMPANY NAME

ARIZONA WATER COMPANY

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	2/1/1979	8/1/1986	4/12/1990	-
Source of Loan	General Mortgage Bonds	General Mortgage Bonds	General Mortgage Bonds	-
ACC Decision No.	49641	55144	56839	
Reason for Loan	Debt Retirement Additional Construction	Debt Retirement Additional Construction	Debt Retirement Additional Construction	-
Dollar Amount Issued	\$ 2,000,000	\$4,000,000	\$6,000,000	\$ -
Amount Outstanding	\$ 740,000	\$2,400,000	\$6,000,000	\$ -
Date of Maturity	2/1/2004	8/1/2006	3/1/2015	-
Interest Rate	9.50%	9.25%	9.13%	-
Current Year Interest	\$ 70,774	\$ 243,583	\$ 547,800	\$ -
Current Year Principle	\$ 60,000	\$ 400,000	\$ -0-	\$ -

Meter Deposit Balance at Test Year End

\$ 345,581

Meter Deposits Refunded During the Test Year

\$ 71,339

COMPANY NAME

ARIZONA WATER COMPANY

WATER COMPANY PLANT DESCRIPTION**WELLS**

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
WILL BE FURNISHED FOR SYSTEMS UPON COMMISSION REQUEST				

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
		3,752	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity

STATISTICAL INFORMATION

Total number of customers	61,632	
Total number of gallons sold	9,175,164,000	gallons

COMPANY NAME ARIZONA WATER COMPANY YEAR ENDING 12/31/2000

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2000 was: \$ 2,063,923

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME ARIZONA WATER COMPANY

YEAR ENDING 12/31/2000

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	5,279,234	*
Estimated or Actual Federal Tax Liability	1,794,940	*
State Taxable Income Reported	5,736,303	*
Estimated or Actual State Tax Liability	457,069	*

Amount of Grossed-Up Contributions/Advances:

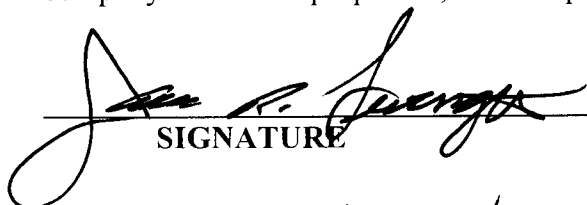
Amount of Contributions/Advances	-0-
Amount of Gross-Up Tax Collected	-0-
Total Grossed-Up Contributions/Advances	-0-

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

* ESTIMATED RETURNS ARE FILED ON OR ABOUT SEPTEMBER 15.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

04/16/01
DATE

James R. Livingston
PRINTED NAME

PRESIDENT
TITLE

COMPANY NAME ARIZONA WATER COMPANY **YEAR ENDING 12/31/2000**

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

\$ 2,063,923

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Maricopa
NAME (OWNER OR OFFICIAL) TITLE	James R. Livingston, President
COMPANY NAME	Arizona Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

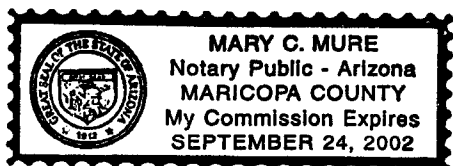
HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 32,411,346



(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 2,309,331

IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

James R. Livingston, President
SIGNATURE OF OWNER OR OFFICIAL
602-2406860
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

16th

DAY OF

COUNTY NAME	Maricopa
MONTH	April
	2001

(SEAL)

MY COMMISSION EXPIRES

9-24-02

Mary C. Mure
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) James R. Livingston	TITLE President
COMPANY NAME Arizona Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 23,758,148

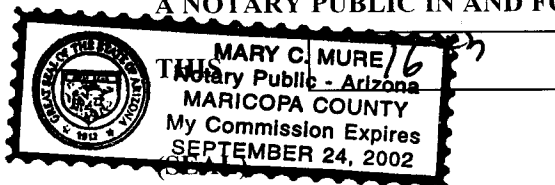
(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 1,692,787
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X 
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

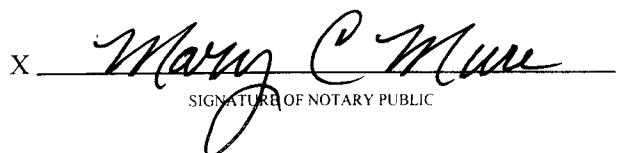


DAY OF

NOTARY PUBLIC NAME Mary C. Mure	
COUNTY NAME Maricopa	
MONTH April	2001

MY COMMISSION EXPIRES

9-24-02

X 
SIGNATURE OF NOTARY PUBLIC

**SEE
ANNUAL REPORT
FILE FOR
PROPERTY TAX
INFORMATION**

ARIZONA WATER COMPANY**Property Taxes Paid 2000
Actual**

Check Date	Check #	Amount	County
05/01/00	46531	\$78,563.86	Cochise
05/01/00	46524	\$32,146.44	Coconino
05/01/00	46525	\$58,909.84	Gila
05/01/00	46526	\$38,651.97	Maricopa
05/01/00	46527	\$14,308.46	Maricopa
05/01/00	46532	\$64,774.28	Navajo
05/01/00	46528	\$12,431.09	Pima
05/01/00	46529	\$675,255.82	Pinal
05/01/00	46530	\$47,855.22	Yavapai
10/24/00	50160	\$77,965.81	Cochise
10/24/00	50161	\$38,418.94	Coconino
10/24/00	50189	\$59,805.68	Gila
10/25/00	50088	\$44,625.25	Maricopa
10/25/00	50089	\$15,251.49	Maricopa
10/25/00	50090	\$77,046.08	Navajo
10/25/00	50091	\$1,760.37	Navajo
10/24/00	50246	\$13,592.94	Pima
10/24/00	50247	\$675,911.43	Pinal
10/24/00	50322	\$36,647.86	Yavapai

Total Property Tax Paid 2000	\$2,063,922.83
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Rounded to the Nearest Dollar	\$2,063,923
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Amount Reported on Annual Report (Appendix B)	\$2,063,923
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